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SUBJECT: KAZAKHSTAN ENVIRONMENTAL UPDATE, APRIL

1. Summary: This information is drawn primarily from the Kazakhstani press and has not been verified. The opinions expressed in this report, therefore, should not be interpreted as official positions and/or policy of the U.S. Government.

- Karagachaganak Petroleum Operation Fined for Gas Flaring
- Kazakhstan, China Agree on Joint Use of Transborder Rivers
- Kazakhstan Yet to Receive Caviar Export Quota
- New Environmental Minister Appointed
- New Deputy Environmental Minister Appointed
- President Orders Tightening of Bird Flu Prevention Measures
- World Bank Pleased with Aral Sea Project Results
- Third Basin Council To Be Founded in Kazakhstan
- National Plan on IMWR to Be Completed This Year
- Kazakhstani Poultry to Be Vaccinated Soon
- TCO Fined 732 Million Tenge for Environmental Pollution
- World Bird Flu Conference to Be Held in Kazakhstan, June 12-13
- Avalanche Kills One Near Almaty
- Kazakhstani Premier Urges Adhesion to Nuclear Safety Convention
- Kazakhstani National Nuclear Center Director Appointed
- Kazakhstani Government to Consider Earth Remote Sensing Satellite
- Pavlodar Oblast Faces Ecological Catastrophe
- Khrunichev Space Center Confirms June 8 Launch of KazSat-1
- Kazakhstan, Russia Sign New Accords
- Kazakhstan Suggests Changing Baikonur Agreements
- High-Level Conference on Environmental Protection Issues in Almaty
- Parliament to Review Ecological Code Draft in June

#### Karagachaganak Petroleum Operating (KPO) Fined for Gas Flaring

1. An inspection of KPO by the Environmental Procurator's Office revealed that KPO's atmospheric emissions exceeded allowable levels and that the company had failed to fulfill its obligations to reduce gas flaring as stipulated by the Basic Production Sharing Agreement (BPSA). Furthermore, the inspection concluded that industrial and consumption waste had been misplaced. In the last three years, the volume of flared gas has sharply increased, totaling 145 million cubic meters in late 2005 compared with 90 million in 2003. Subsequently, the Environmental Procurator's Office fined KPO 53 million tenge (\$424,000) for violating environmental legislation. KPO insists that the Environmental Procurator's Office's claims were unfounded. According to the company, a set of new regulations were recently issued to permit gas flaring after obtaining a license. KPO lawyers claim that the company had obtained the proper license to flare gas. (www.gazeta.kz, April 12, 2006)

#### Kazakhstan, China Agree on Joint Use of Transborder Rivers

2. During an April 11-13, 2006 official visit to China by Kazakhstani Foreign Minister Kasymzhomart Tokayev, both sides reached an agreement on sharing the water resources of the trans-border rivers Irtysh and Ili. In a news conference in Astana on April 17, Yerzhan Ashykbayev, an official representative of the Ministry of Foreign Affairs, said, "the Chinese have reassured us that the usage of the water resources would take into account the interests of both countries, and that the ecological balance would be preserved." For many years Astana has been concerned about Chinese plans to build dams diverting water from the Irtysh River for irrigation purposes, which they fear would cause devastating water shortages in three wheat-growing regions down-river in Kazakhstan. (Interfax-Kazakhstan, Izvestiya -Kazakhstan, April 17)

#### Kazakhstan Yet to Receive Caviar Export Quota

3. Kazakhstan, Russia, Uzbekistan and Turkmenistan have not yet received their respective caviar export quotas, according to an announced by the press service of the Geneva Convention on International Trade by Endangered Species (CITES). According to CITES experts, reports from the four countries do not reflect the reduction of sturgeon resources. (Caspionet, April 17, 2006)

#### New Environmental Minister Appointed

14. By Presidential Decree, Nurlan Iskakov, 46, was appointed Minister of the Environment on April 3, 2006. Prior to this appointment, Iskakov, Doctor of Economic Sciences, served as Vice Minister of the Environment and Head of the Department for State Control and Organizational Work in the Presidential Administration. (Kazakhstanskaya Pravda, April 4, 2006)

#### New Deputy Environmental Minister Appointed

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15. Alzhan Braliev was appointed Deputy Minister of the Environment on April 17, 2006. Braliev, 31, was Deputy Chairman of the State Statistics Agency from July 2004 until this appointment. (Interfax-Kazakhstan, April 14, 2006)

#### President Orders Tightening of Bird Flu Prevention Measures

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16. At an April 14 meeting, President Nazarbayev ordered regional governors to strengthen preventive measures against the spread of bird flu and improve coordination between the Ministry of Health, Ministry of Emergency Situations and other agencies. Nazarbayev said, "It is essential to check the levels of protection and diagnosis, and by no means conceal cases of bird flu." (Interfax-Kazakhstan, April 14, 2006)

#### World Bank Pleased with Aral Sea Project Results

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17. World Bank experts have expressed satisfaction with the results of the project aimed at restoring the Northern part of the Aral Sea. According to project manager Bulat Utkelov, the water level in the Small Aral has already reached the upper part of the Kok-Aral dam, though it was projected to take five years. Now the World Bank plans to implement the second phase of the project to raise the efficiency of land irrigation by extending a system of canals to the town of Aralsk and restoring fish resources. By 1995, the sea had lost 75% of its volume and the water level had fallen by 19 meters. Over the last 30 years, the radius of the sea has reduced to 150 km resulting in 30,000 square km of new deserts around the sea. (Interfax-Kazakhstan, April 19, 2006)

#### Third Basin Council to Be Founded in Kazakhstan

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18. A representative from the Shu-Talas Basin Water Economy Department announced on April 20 that the Third Basin Council (BC) will be founded at a meeting in Taraz. The Committee for Water Resources of the Ministry of Agriculture and the Shu-Talas Basin Water Economy Department initiated the meeting with the support of a UNDP project to develop a National Plan for the integrated use of water resources in Kazakhstan. The goal of the meeting is to discuss organizational issues and the role of the council in the Shu-Talas basin. Kazakhstan is the first Central Asian state to have established BCs for conducting dialogue between water users and water economy management agencies. Originally, BCs were created to raise the efficiency of water resource management in Kazakhstan and there are currently two basin councils: Balkhash-Alakol and Nura-Sarysu. (Kazakhstan Today, April 20, 2006)

#### National Plan on IMWR to Be Completed This Year

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19. The "Integrated Management of Water Resources" forum (IMWR) completed its work in Astana on March 31. The Forum discussed the draft national plan on integrated use of water resources and water conservation. It also considered Basin Council (BC) development, Water Code implementation, development of the Millennium Goals Achievement Strategy in water supply and sanitation, and a report on access to drinking water. Forum participants cited insufficient financing for water and sewage systems, a lack of control over water quality, and outdated sanitary and epidemiological laboratory equipment as major concerns. They concluded that to improve water resource management, the status of the Committee for Water Resources and its territorial branches must be promoted. The establishment of a Ministry of Water Economy was also proposed. According to experts, the final version of the bill will be ready by mid-year, and the millennium goals achievement strategy by year end. (Panorama, March 31, 2006)

#### Kazakhstani Poultry to Be Vaccinated Soon

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110. Asylbek Kozhmuratov, head of the Ministry of Agriculture's Veterinary Directorate, reported that vaccine supplies for the immunization of domestic poultry in the Almaty, Akmol, Eastern Kazakhstan, Karaganda, Northern Kazakhstan and Kostanay oblasts have arrived and the vaccination of domestic poultry will start soon. The process will begin in the Kurgaldzhy nature reserves and around the Balkhash, Zaysan and Alakol lakes--regions where the

danger of a bird flu pandemic is highest. Vaccinations in Northern Kazakhstan and Pavlodar regions will be carried out along the Kazakhstani/Russian border. Preventive measures against bird flu are scheduled to continue until late autumn. (Interfax-Kazakhstan, April 10, 2006)

#### TCO Fined 732 Million Tenge for Environmental Pollution

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11. The Environmental Procurator's Office in Atyrau has fined the Tengizchevroil JV (TCO) company 732 million tenge (\$5.8 million) for environmental pollution following a 2005 inspection that revealed numerous ecological violations. TCO's press service stated that the claims presented by the procurator's office are the result of an erroneous application of the new law on gas utilization. According to TCO, the law has been amended twice. The first amendment banned gas flares at the deposits; this ban was later lifted, provided that subsurface users receive approval from a relevant authority. The Kazakhstani government, in cooperation with oil companies, amended the law's application allowing companies to improve their gas utilization plans legally. TCO, along with other companies, had received approval for their gas utilization plans. The company claims that its gas flaring in 2005 was done in agreement with the government. TCO claims that gas flaring "is a technical process mandated by the plant's design, and it cannot simply stop flaring gas because it would lead to a serious industrial and ecological accident." (Interfax-Kazakhstan, April 11, 2006)

#### World Bird Flu Conference to Be Held in Kazakhstan, June 12-13

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12. An international conference on regional cooperation and coordination to tackle the spread of bird flu will be held in Almaty on June 12-13, according to a report by the Emergency Situations Ministry. The report states that the conference will take place within the framework of an agreement signed between the Kazakhstani Health Ministry and the Asian Development Bank. International organizations such as the World Health Organization, USAID, UNICEF, the CDC, the European Commission and the World Bank will be involved in its organization and financing. Officials from Uzbekistan, Kyrgyzstan, Turkmenistan, Tajikistan, Azerbaijan, Russia, China, Mongolia, and Afghanistan are expected to participate in the conference, while Thai, Philippine, Dutch and US experts have also been invited to the conference. (Interfax-Kazakhstan, April 10, 2006)

#### Avalanche Kills One Near Almaty

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13. At least five people were caught in an avalanche in the mountains near Almaty that killed one person on Saturday, as reported by the Almaty emergency agency. According to the department, the avalanche occurred at 13:00 at the Chimbulak mountain resort, burring five individuals, including one resort employee. The four tourists were able to escape, however the employee was killed and his body was later found. (Interfax-Kazakhstan, April 10, 2006)

#### Kazakhstani Premier Urges Adhesion to Nuclear Safety Convention

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14. Kazakhstani Prime Minister Daniel Akhmetov remarked at a governmental meeting on developing nuclear power engineering, that Kazakhstan should join the international Convention on Nuclear Safety and have a representative on the IAEA's technical committee. Meeting participants noted that a program to develop nuclear power engineering would be drafted in the next few months, as specialists plan to propose a system of technical requirements for nuclear power engineering facilities and carry out feasibility studies. The Prime Minister also spoke about the need "for carrying out additional research with independent experts into the prospects for the development of the Mangyshlak Atomic Power Combine, analyzing international experience in the construction of atomic power stations and training personnel for nuclear power engineering positions." (Interfax-Kazakhstan, April 6, 2006)

#### Kazakhstani National Nuclear Center Director Appointed

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15. Kayrat Kadyrzhanov has been appointed the new Director-General of the National Nuclear Center (NNC) by order of the Kazakhstani Minister of Energy and Mineral Resources. Kadyrzhanov will also continue to head the National Nuclear Center's Institute of Nuclear Physics. (Interfax-Kazakhstan, April 5, 2006)

#### Kazakhstani Government to Consider Earth Remote Sensing Satellite

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19. According to an April 9 speech by Prime Minister Akhmetov at the

conference in Tien Shan highland astrophysical observatory, the GOK will consider a feasibility study on the construction of a national Earth remote sensing satellite. Kazkosmos JSC Board Chairman Serik Turzhanov said earlier that Kazakhstan planned to launch four communication satellites on its own, as well as four Earth remote-sensing satellites in co-operation with Russia by 2012. (Interfax-Kazakhstan, April 10, 2006)

#### Pavlodar Oblast Faces Ecological Catastrophe

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16. The Pavlodar oblast is turning into an industrial refuse dump and, according to expert estimates, the region is burdened with approximately 6 billion tons of waste, mainly post strip mining coal materials. However, ecologists have proposed a way to dispose of the waste. In the 1980s, scientists developed technology to process Ekibastuz coal waste into ceramic tiles and drain tubes. The introduction of these technologies would improve the environment and help solve social problems by reducing housing construction costs. (Kazakhstan-1, April 7, 2006)

#### Khrunichev Space Center Confirms June 8 Launch of KazSat-1

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17. The Khrunichev Space Center in Russia once again confirmed that the launch of the first Kazakhstani satellite KazSat is scheduled for June 8. A Proton-K booster will be used for the launch. KazSat is planned to carry 12 Ku transponders for television broadcasts, fixed satellite communications and data transmissions. The coverage area includes Kazakhstan, other Central Asian countries, as well as Central Russia. Earlier, Kazakhstani officials said that expenses on the satellite's development and launch are estimated at \$65 million. (Interfax-Kazakhstan, April 5, 2006)

#### Kazakhstan, Russia Sign New Accords

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18. During his official visit to Russia, President Nazarbayev held talks with Vladimir Putin in the Kremlin. At the end of the talks, seven documents were signed, including several concerning the orbit parameters of the Kazakh KazSat satellite, the use of the fourth state central training range, the conditions on using and renting the Emba and Saryshagan military ranges and on the 929th air training center. (Khabar, April 4, 2006)

#### Kazakhstan Suggests Changing Baikonur Agreements

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19. Kazakhstan intends to amend some of the 40 international agreements with Russia on the operation of the Baikonur launching site. The issue was discussed at a governmental meeting chaired by Prime Minister Akhmetov on April 10. According to experts, part of the agreement must be reviewed in connection with Kazakhstan's expanded activity at the facility and concern improvements in social security, the protection of constitutional rights of Kazakhstani citizens living in Baikonur, infrastructure upgrades and maintaining ecological safety. (Interfax-Kazakhstan, April 11, 2006)

#### High-Level Conference on Environmental Protection Issues in Almaty

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20. Environmental protection was the main issue discussed in Almaty during a two-day, high-level conference on strengthening the union between EU and Central Asian states. The expansion of the EU in 2004 has effectively brought the EU closer to Central Asia. The EU has since expressed interest in all aspects of life in Central Asia, including ecological problems, and in particular the problem of trans-border rivers. The EU has broad experience in handling ecological problems and has shown that such problems cannot be solved on a strictly bilateral level. According to David Grant Lawrence, Director of EC on Environment Protection, rivers should be considered as basin systems and efforts should be made to conclude multilateral agreements with all countries involved. He said that it is not easy, but without the consent of all parties, it is impossible to come to the right decision both on the quality and quantity of water. (Astana TV, April 5, 2006)

#### Parliament to Review Ecological Code Draft in June

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21. The draft of the Ecological Code (EC) under development by the Environmental Ministry will be considered by parliament in June, according to Deputy Environmental Minister Sultangali Kesikbaev. The Code will allow domestic environmental legislation to be brought in line with international norms. According to the executive director of the Health Protection and Ecological Design Center, Andrei Krachevskiy, "the Code will make progress in reforming the entire environmental protection system and provide for enhancing the institute of state ecological expert

examination." Among other innovative aspects of the Code, Krachevskiy cited a single integrated ecological permit as a way of simplifying the procedure of obtaining permits for the use of environmental assets. The procedure of issuing environmental permits will be based on a differentiation of companies into 4 categories. For the most environmentally hazardous 4th category, the permit term is limited to 3 years. (Interfax-Kazakhstan, April 3, 2006)

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